

2005 DRAFTING REQUEST

Bill

Received: **12/21/2005**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Kitty Rhoades (608) 266-1526**

By/Representing: **kevin**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Rhoades@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Tax credit for health care providers who upgrade to electronic medical records systems

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 12/28/2005 jkreye 01/17/2006	kfollett 01/04/2006 kfollett 01/17/2006	rschluet 01/04/2006	_____ _____ _____ _____	lemery 01/04/2006		State
/1			pgreensl 01/17/2006	_____ _____	sbasford 01/18/2006	lemery 01/18/2006	State

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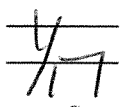



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Tax credit for health care providers who upgrade to electronic medical records systems

Instructions:

See Attached

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/P1	jkreye 12/28/2005	kfollett 01/04/2006	rschluet 01/04/2006		lemery 01/04/2006		State
FE Sent For:				 <END>			

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Addl. Drafters:

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Pre Topic:

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Tax credit for health care providers who upgrade to electronic medical records systems

Instructions:

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/P1	jkreye	1/11/05	1/14/05	1/14/05			
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FE Sent For:

<END>

Kevin

6-1526

Rep Rhoda

tax credit for health care providers

- cost of upgrading to electronic medical records

IT upgrade — like Epic
\$10M totalhealth care providers
as defined in s. 146.31(1)information technology hardware & software used to
maintain medical records in electronic form



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4286/P1

JK:K...f

yes:
send out the
this date.

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 12-28-05 0-N

Gen

SOON

- 1 AN ACT ...; relating to: an income and franchise tax credit for information
2 technology equipment used to maintain medical records in electronic form.

Analysis by the Legislative Reference Bureau

an

This bill creates an income and franchise tax credit for health care providers in amount that is equal to the amount that the health care provider paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:
4 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
5 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (5b), and (5d), and (5e),
6 and not passed through by a partnership, limited liability company, or tax-option

, and (5g)

1 corporation that has added that amount to the partnership's, company's, or
2 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25; s. 13.93 (2) (c).

3 **SECTION 2.** 71.07 (5e) of the statutes is created to read:

4 **71.07 (5e) ELECTRONIC MEDICAL RECORDS CREDIT.** (a) *Definitions.* In this
5 subsection, "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
7 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
8 amount of those taxes, an amount equal to the amount the claimant paid in the
9 taxable year for information technology hardware or software that is used to
10 maintain medical records in electronic form, if the claimant is a health care provider,
11 as defined in s. 146.81 (1).

12 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
13 under this subsection and ss. 71.28 (5e) and 71.47 (5e) in a taxable year is
14 \$10,000,000.

15 2. Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of amounts under par. (b). A partnership,
18 limited liability company, or tax-option corporation shall compute the amount of
19 credit that each of its partners, members, or shareholders may claim and shall
20 provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interests.

23 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
24 s. 71.28 (4), applies to the credit under this subsection.

1 **SECTION 3.** 71.10 (4) (gxx) of the statutes is created to read:

2 71.10 (4) (gxx) Electronic medical records credit under s. 71.07 (5e).

3 **SECTION 4.** 71.21 (4) of the statutes is amended to read:

4 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
5 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), and (5b), and (5e) and passed

6 through to partners shall be added to the partnership's income.

7 History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326.

8 **SECTION 5.** 71.26 (2) (a) of the statutes is amended to read:

9 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
10 the gross income as computed under the Internal Revenue Code as modified under
11 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
12 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
13 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
14 under this paragraph at the time that the taxpayer first claimed the credit plus the
15 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
16 (1ds), (1dx), (3g), (3n), (3t), and (5b), and (5e) and not passed through by a
17 partnership, limited liability company, or tax-option corporation that has added that
18 amount to the partnership's, limited liability company's, or tax-option corporation's
19 income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or
20 other disposition of assets the gain from which would be wholly exempt income, as
21 defined in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and
22 minus deductions, as computed under the Internal Revenue Code as modified under
23 sub. (3), plus or minus, as appropriate, an amount equal to the difference between
 the federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or

1 otherwise disposed of in a taxable transaction during the taxable year, except as
2 provided in par. (b) and s. 71.45 (2) and (5).

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25.

3 **SECTION 6. 71.28 (5e) of the statutes is created to read:**

4 **71.28 (5e) ELECTRONIC MEDICAL RECORDS CREDIT.** (a) *Definitions.* In this
5 subsection, "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
7 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
8 amount of those taxes, an amount equal to the amount the claimant paid in the
9 taxable year for information technology hardware or software that is used to
10 maintain medical records in electronic form, if the claimant is a health care provider,
11 as defined in s. 146.81 (1).

12 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
13 under this subsection and ss. 71.07 (5e) and 71.47 (5e) in a taxable year is
14 \$10,000,000.

15 2. Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of amounts under par. (b). A partnership,
18 limited liability company, or tax-option corporation shall compute the amount of
19 credit that each of its partners, members, or shareholders may claim and shall
20 provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interests.

23 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
24 sub. (4), applies to the credit under this subsection.

1 **SECTION 7.** 71.30 (3) (epa) of the statutes is created to read:

2 71.30 (3) (epa) Electronic medical records credit under s. 71.28 (5e).

3 **SECTION 8.** 71.34 (1) (g) of the statutes is amended to read:

4 71.34 (1) (g) An addition shall be made for credits computed by a tax-option

5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),

6 (3n), (3t), ~~and (5b), and (5e)~~ and passed through to shareholders.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49.

7 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

8 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit

9 computed under s. 71.47 (1dd) to (1dx), (3n), ~~and (5b), and (5e)~~ and not passed

10 through by a partnership, limited liability company, or tax-option corporation that

11 has added that amount to the partnership's, limited liability company's, or

12 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of

13 credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326.

14 **SECTION 10.** 71.47 (5e) of the statutes is created to read:

15 71.47 (5e) ELECTRONIC MEDICAL RECORDS CREDIT. (a) *Definitions.* In this

16 subsection, "claimant" means a person who files a claim under this subsection.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection, a

18 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the

19 amount of those taxes, an amount equal to the amount the claimant paid in the

20 taxable year for information technology hardware or software that is used to

21 maintain medical records in electronic form, if the claimant is a health care provider,

22 as defined in s. 146.81 (1).

(c) *Limitations.* 1. The maximum amount of the credits that may be claimed under this subsection and ss. 71.07 (5e) and 71.28 (5e) in a taxable year is \$10,000,000.

2. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 11. 71.49 (1) (epa) of the statutes is created to read:

71.49 (1) (epa) Electronic medical records credit under s. 71.47 (5e).

SECTION 12. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), and (5b), and (5e); and

as affected by 2005 Wisconsin Act 74)

plain
and (5g)

1 plus or minus, as appropriate, transitional adjustments, depreciation differences,
2 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding
3 income, gain, loss, and deductions from farming. "Net business income," with respect
4 to a natural person, estate, or trust, means profit from a trade or business for federal
5 income tax purposes and includes net income derived as an employee as defined in
6 section 3121 (d) (3) of the Internal Revenue Code.

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326.

7 **SECTION 13. Initial applicability.**

8 (1) This act first applies to taxable years beginning on January 1, 2006.

9 (END)

D- Note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4286/P1dn

JK:..*kyt*

Date

Representative Rhoades:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
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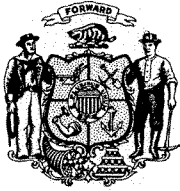
LRB-4286/P1dn
JK:kjfrs

January 4, 2006

Representative Rhoades:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4286/P1

JK:kjfrs

Mark R

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 1-17-06

due Wed
1-18-06

Regen

1 AN ACT *to amend* 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2)
2 (a) 10. and 77.92 (4); and *to create* 71.07 (5e), 71.10 (4) (gxx), 71.28 (5e), 71.30
3 (3) (epa), 71.47 (5e) and 71.49 (1) (epa) of the statutes; **relating to:** an income
4 and franchise tax credit for information technology equipment used to
5 maintain medical records in electronic form.

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit for health care providers in an amount that is equal to the amount that the health care provider paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

6 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

7 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
8 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (5b), and (5d), (5e),

1 and (5g) and not passed through by a partnership, limited liability company, or
2 tax-option corporation that has added that amount to the partnership's, company's,
3 or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

4 **SECTION 2.** 71.07 (5e) of the statutes is created to read:

5 71.07 (5e) ELECTRONIC MEDICAL RECORDS CREDIT. (a) *Definitions.* In this
6 subsection, "claimant" means a person who files a claim under this subsection.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
8 claimant may claim as a credit against the taxes imposed under s. 71.02, up to the
9 amount of those taxes, an amount equal to the amount the claimant paid in the
10 taxable year for information technology hardware or software that is used to
11 maintain medical records in electronic form, if the claimant is a health care provider,
12 as defined in s. 146.81 (1).

13 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
14 under this subsection and ss. 71.28 (5e) and 71.47 (5e) in a taxable year is
15 \$10,000,000.

16 2. Partnerships, limited liability companies, and tax-option corporations may
17 not claim the credit under this subsection, but the eligibility for, and the amount of,
18 the credit are based on their payment of amounts under par. (b). A partnership,
19 limited liability company, or tax-option corporation shall compute the amount of
20 credit that each of its partners, members, or shareholders may claim and shall
21 provide that information to each of them. Partners, members of limited liability
22 companies, and shareholders of tax-option corporations may claim the credit in
23 proportion to their ownership interests.

24 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
25 s. 71.28 (4), applies to the credit under this subsection.

1 **SECTION 3.** 71.10 (4) (gxx) of the statutes is created to read:

2 71.10 (4) (gxx) Electronic medical records credit under s. 71.07 (5e).

3 **SECTION 4.** 71.21 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
4 amended to read:

5 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
6 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), (3s), (3t), (5b), (5e), and (5g) and passed
7 through to partners shall be added to the partnership's income.

8 **SECTION 5.** 71.26 (2) (a) of the statutes, as affected by 2005 Wisconsin Act 74,
9 is amended to read:

10 71.26 (2) (a) *Corporations in general.* The “net income” of a corporation means
11 the gross income as computed under the Internal Revenue Code as modified under
12 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
13 computed under s. 71.28 (1), (3), (4), and (5) minus, as provided under s. 71.28 (3) (c)
14 7., the amount of the credit under s. 71.28 (3) that the taxpayer added to income
15 under this paragraph at the time that the taxpayer first claimed the credit plus the
16 amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
17 (1ds), (1dx), (3g), (3n), (3t), (5b), (5e), and (5g) and not passed through by a
18 partnership, limited liability company, or tax-option corporation that has added that
19 amount to the partnership's, limited liability company's, or tax-option corporation's
20 income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or
21 other disposition of assets the gain from which would be wholly exempt income, as
22 defined in sub. (3) (L), if the assets were sold or otherwise disposed of at a gain and
23 minus deductions, as computed under the Internal Revenue Code as modified under
24 sub. (3), plus or minus, as appropriate, an amount equal to the difference between
25 the federal basis and Wisconsin basis of any asset sold, exchanged, abandoned, or

1 otherwise disposed of in a taxable transaction during the taxable year, except as
2 provided in par. (b) and s. 71.45 (2) and (5).

3 **SECTION 6.** 71.28 (5e) of the statutes is created to read:

4 71.28 (5e) ELECTRONIC MEDICAL RECORDS CREDIT. (a) *Definitions.* In this
5 subsection, "claimant" means a person who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
7 claimant may claim as a credit against the taxes imposed under s. 71.23, up to the
8 amount of those taxes, an amount equal to the amount the claimant paid in the
9 taxable year for information technology hardware or software that is used to
10 maintain medical records in electronic form, if the claimant is a health care provider,
11 as defined in s. 146.81 (1).

12 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
13 under this subsection and ss. 71.07 (5e) and 71.47 (5e) in a taxable year is
14 \$10,000,000.

15 2. Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of amounts under par. (b). A partnership,
18 limited liability company, or tax-option corporation shall compute the amount of
19 credit that each of its partners, members, or shareholders may claim and shall
20 provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interests.

23 (d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under
24 sub. (4), applies to the credit under this subsection.

25 **SECTION 7.** 71.30 (3) (epa) of the statutes is created to read:

1 71.30 (3) (epa) Electronic medical records credit under s. 71.28 (5e).

2 **SECTION 8.** 71.34 (1) (g) of the statutes, as affected by 2005 Wisconsin Act 74,
3 is amended to read:

4 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
5 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),
6 (3n), (3t), (5b), (5e), and (5g) and passed through to shareholders.

7 **SECTION 9.** 71.45 (2) (a) 10. of the statutes, as affected by 2005 Wisconsin Act
8 74, is amended to read:

9 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
10 computed under s. 71.47 (1dd) to (1dx), (3n), (5b), (5e), and (5g) and not passed
11 through by a partnership, limited liability company, or tax-option corporation that
12 has added that amount to the partnership's, limited liability company's, or
13 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and the amount of
14 credit computed under s. 71.47 (1), (3), (3t), (4), and (5).

15 **SECTION 10.** 71.47 (5e) of the statutes is created to read:

16 71.47 (5e) ELECTRONIC MEDICAL RECORDS CREDIT. (a) *Definitions.* In this
17 subsection, "claimant" means a person who files a claim under this subsection.

18 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
19 claimant may claim as a credit against the taxes imposed under s. 71.43, up to the
20 amount of those taxes, an amount equal to the amount the claimant paid in the
21 taxable year for information technology hardware or software that is used to
22 maintain medical records in electronic form, if the claimant is a health care provider,
23 as defined in s. 146.81 (1).

1 (c) *Limitations.* 1. The maximum amount of the credits that may be claimed
2 under this subsection and ss. 71.07 (5e) and 71.28 (5e) in a taxable year is
3 \$10,000,000.

4 2. Partnerships, limited liability companies, and tax-option corporations may
5 not claim the credit under this subsection, but the eligibility for, and the amount of,
6 the credit are based on their payment of amounts under par. (b). A partnership,
7 limited liability company, or tax-option corporation shall compute the amount of
8 credit that each of its partners, members, or shareholders may claim and shall
9 provide that information to each of them. Partners, members of limited liability
10 companies, and shareholders of tax-option corporations may claim the credit in
11 proportion to their ownership interests.

12 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under
13 s. 71.28 (4), applies to the credit under this subsection.

14 **SECTION 11.** 71.49 (1) (epa) of the statutes is created to read:

15 71.49 (1) (epa) Electronic medical records credit under s. 71.47 (5e).

16 **SECTION 12.** 77.92 (4) of the statutes, as affected by 2005 Wisconsin Act 74, is
17 amended to read:

18 77.92 (4) “Net business income,” with respect to a partnership, means taxable
19 income as calculated under section 703 of the Internal Revenue Code; plus the items
20 of income and gain under section 702 of the Internal Revenue Code, including taxable
21 state and municipal bond interest and excluding nontaxable interest income or
22 dividend income from federal government obligations; minus the items of loss and
23 deduction under section 702 of the Internal Revenue Code, except items that are not
24 deductible under s. 71.21; plus guaranteed payments to partners under section 707
25 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),

1 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3s), (3n), (3t), (5b), (5e), and (5g);
2 and plus or minus, as appropriate, transitional adjustments, depreciation
3 differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but
4 excluding income, gain, loss, and deductions from farming. "Net business income,"
5 with respect to a natural person, estate, or trust, means profit from a trade or
6 business for federal income tax purposes and includes net income derived as an
7 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

8 **SECTION 13. Initial applicability.**

9 (1) This act first applies to taxable years beginning on January 1, 2006.
10

(END)

2008

Basford, Sarah

From: Moore, Kevin
Sent: Wednesday, January 18, 2006 8:52 AM
To: LRB.Legal
Subject: Draft Review: LRB 05-4286/1 Topic: Tax credit for health care providers who upgrade to electronic medical records systems

Please Jacket LRB 05-4286/1 for the ASSEMBLY.

THANK YOU!